

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Boscobel Bancorp Inc/Community First Bank

Point of Contact:	Karen Wacker	RSSD: (For Bank Holding Companies)	1492291
UST Sequence Number:	857	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,586,000	FDIC Certificate Number: (For Depository Institutions)	11595
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	May 15, 2009	City:	Boscobel
Date Repaid <sup>1</sup> :	N/A	State:	Wisconsin

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Lending efforts were neither increased or reduced as a result of the CPP funds. However, without the CPP funds, the bank most likely would have placed higher restrictions on new loan originations and renewals in order to reduce the loan portfolio and protect its risk based capital exposure.

☐ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☒ Increase reserves for non-performing assets.

The CPP funds provided capital to the bank to support additional reserves for future loan losses. As economic conditions worsened, it was evident that future loan losses, specifically in commercial real estate and land development loans, were to be expected.

☐ Reduce borrowings.

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☒ **Increase charge-offs.**

The bank was able to aggressively charge-off non performing assets while increasing reserves to a more sufficient base for future, probable loan losses.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We were able to avoid making more restrictive loan underwriting guidelines that would have tightened credit further in the markets and communities we serve. This most likely would have lessened the credit available in these markets and communities which would have had a detrimental affect on our customers.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.